

SENATE BUDGET COMMITTEE
DEMOCRATIC CAUCUS
KENT CONRAD, RANKING MEMBER

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**CONRAD: BUSH'S TAX CUT WOULD BE UNFAIR
AND COULD DRIVE US BACK INTO DEFICITS**
Senate Budget Committee Ranking Member Responds to Testimony on the
Budget and Economic Outlook

Washington - Senator Kent Conrad, the Ranking Member on the Senate Budget Committee, today responded to testimony on the budget and the nation's economic outlook by calling again for taking a balanced approach in developing a tax and budget plan this year. Conrad emphasized that President Bush's tax cut proposal is unfair and is so big that it could drive the nation back into deficit spending and put the economy at risk.

"We can and will have a significant tax cut this year," said Conrad. "But President Bush's tax cut proposal is simply too big. Just do the math. When you add up the tax cut he is proposing, the interest costs associated with it, the AMT reform that will be needed, the prescription drug benefit, the R&D and other tax extenders, and the new education and defense initiatives that the President has called for, we can see that it would easily eat up all of the non-Social Security and non-Medicare Trust Fund surpluses and drive us back into deficit. That would be irresponsible and could put our economy at risk."

"The President's plan does nothing to prepare the nation for the coming wave of baby boomer retirements. Instead of using the surpluses we now enjoy to help pay for the coming retirement wave, the President is proposing a massive tax cut that effectively pushes off the cost of our own retirement onto the backs of our children. What we need is a more balanced approach that provides significant tax relief, but leaves room to continue paying down debt, leaves room to pay for the high priority domestic needs that we all agree on – such as the prescription drug benefit – and leaves room to address the long-term deficits looming just over the horizon when those baby boomers begin to retire in large numbers."

"Further still, the President's plan skews the benefits of his tax cut toward the wealthiest Americans, who are least in need of help. His plan gives more than 40 percent of the benefit to the wealthiest one percent of Americans, who pay less than 20 percent of the taxes. We need to make sure that the tax cut is affordable given our long-term budgetary needs, and we need to make sure that more of the benefit goes to the middle-class Americans who are most in need of help. That is the conservative thing to do. That is the compassionate thing to do."

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